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MANPOWER PROGRAMME FOR ECONOMIC  
DEVELOPMENT.

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Lecture on  
"A Manpower Programme for Economic Development"

By

Mr. Leo R. Werts

Chairman ....**Shri** V.T. Krishnamachari  
on 30th November, '60.

Director (IIPA) .. Ladies & Gentlemen: I am very glad that we have Mr. Werts here today to speak to us on the Manpower Problem in India. He is an expert on the subject, who has made a long study of it in the United States and has been in India for the last 18 months studying on our problem and advising the Government on how to solve it. He is shortly returning to the United States and I have taken the opportunity of inviting him before he leaves India and so to come back again for another time to speak to us on the results of his studies during this period of his stay in India.

I need hardly say that it is a very important problem to which not sufficient attention has been paid in the past, but at present it is being studied very carefully and very thoroughly, and I am very glad that on this occasion we have also **Shri** V.T. Krishnamachari to preside at our meeting. The Planning Commission is responsible a great deal for dealing with this problem in some of its most important aspects, and I am, therefore, particularly grateful to him for having agreed to be with us this evening.

Mr. Leo R. Werts .. Thank you Mr. Menon. I am highly honoured to be on the same platform with **Shri** V.T. Krishnamachari. I think all of us can aspire to what he has achieved as a great servant to his country. If we can, any of us, can only partially achieve what he has achieved, I think we can be proud.

I also have had the great pleasure of spending about a month with Mr. Menon. We served on a Selection Board and we sat together most mornings for most of a month, and I found him a very well-informed gentleman with extremely good wit, and I might say



from the point of view of the applicants, I am sure, a very tough questioner, because he asked questions which even the members on the Panel could not deal with. The fact is that one of the pleasant parts of this was after the candidates had gone to sit down and find out what was really the answer.

In response to the request to speak here, I offered to talk about "A Manpower Programme for Economic Development". This, as has been indicated, is the area in which I have been serving as a Consultant in India.

This question of a manpower programme for economic development is a very large subject, and probably too large to cover in the time at our disposal. Nevertheless, I would attempt to present my ideas with respect to a comprehensive manpower programme and an integrated national manpower programme.

I am afraid this subject may be a little technical, and may-be a little dry. So, I hope you will have enough interest to bear with me on this.

First, let me define for you manpower, as I see it. Manpower is viewed here as an economic resource just as material equipment. Power and money are economic resources. Manpower, in the economic sense, is the managerial, scientific, engineering, technical, craft and other skills in terms of people. Manpower is the human talents and skills which are employed in creating, designing, developing organizations, managing and operating production and service enterprises and managing economic institutions.

I was telling your Mr. Menon before coming here that in my judgement, the development of managers is the most important factor in the manpower programme. Although much emphasis is given rightly to the question of developing scientific and technical manpower, I think without managers, economic development will not take place.

The processes and methods by which this economic resource, manpower, is developed, utilised and distributed are numerous and complex. These many activities need to be seen in relationship to each other. They need to be pooled together into a pattern or framework in order to more readily comprehend and achieve an integrated programme.

I have developed a programme pattern or a framework which relates this complex of activities to one another, so as to bring out some order of significance and the inter-connection among these activities.

Let me now deal with the question of the nature and scope of the manpower programme for economic development. The manpower programme for economic development is viewed differently by different people. Some think of it as the function performed by educational institutions. Managers of establishments may consider it to be the process of selecting, training and managing people to achieve production objectives. Others may consider it to be occupational guidance and counselling. Those involved in the operations may consider it to be the process of bringing the worker and the job together. Still others may think of it as the process of determining the requirements of manpower. The comprehensive view of manpower planning and development will consider all of these and other activities as part of it.

The view presented here considers that the following activities are included in a comprehensive manpower programme for development. Manpower activities can be created in many ways. The following group seems to highlight the significant processes of manpower development, utilization and distribution. There are seven points here of this programme.

The FIRST is managing and developing employed manpower.

The SECOND is developing managerial manpower resources.



The THIRD is developing and preparing new generations of manpower.

The FOURTH is distributing manpower and under this heading I will list:

- (a) Diverting manpower to essential economic activity;
- (b) Assisting individuals to choose an occupation;
- (c) Identifying highly talented individuals and ensuring an opportunity for their development.

The FIFTH point is finding constructive ways of utilizing in developmental activities, manpower that would otherwise be unemployed or underemployed.

The SIXTH point is developing statistics and information required for manpower planning and administration.

The SEVENTH is organizing for manpower planning and administration.

I will say more about most of these points a little later.

You may ask, of what value is such a framework of a manpower programme? It seems to me a comprehensive listing of manpower activities in some more or less logical relationship to each other:

1. Assists in thinking through the solutions to the nation's manpower problem.
2. It makes us aware of the many individuals and organizations involved in the processes and methods and assists in making all groups aware of their role and responsibility.
3. It assists in choosing those qualities which need to be given attention first: those which must have the financial and other resources ahead of others, when resources are not available for all problems.
4. A comprehensive listing will also avoid overlooking some important activities.
5. It will avoid giving too much attention and resources to certain activities due to pressure groups, due to whim or to the lack of understanding or appreciation of the contribution which each activity can make.

Now, I shall say a word about the need of manpower planning. Manpower planning is a process of developing and determining objectives, policies and programmes that will develop, utilise and distribute manpower so as to achieve economic and other goals. It includes developing the necessary organizations and institutions required to execute manpower programmes.

In respect of the need for manpower planning, manpower, particularly high-talented manpower, is the key to the resource required for economic development. Material, equipment, power and many resources can be effectively used only if there is manpower capable of processing them into goods and services. Of these resources, the longest time is required to develop manpower. Steel mills, power facilities, equipment and factories can be constructed within a few years. It takes 5, 10 or 15 years to develop experienced craftsmen, technicians, engineers and managers to operate them. Decisions concerning manpower development must be taken many years before the production of goods and services are expected.

Any nation committed to rapid economic development, must plan for the development of its manpower resources as an integral part of the planning for the development of other resources. Manpower requirements will be determined by the economic goals to be attained and the nature of the economy visualized. Manpower requirements must flow from the economic plans and activity, if the economy is to include steel and other heavy industries, medium and small scale industries, as well as agricultural production; the whole range of occupations required for these industries must be developed in appropriate numbers.

Just a word about the problems being faced - the manpower problems of India. India has demonstrated its ability to deal with the manpower problems which have developed so far. The future will bring new and more complex problems. Industrial enterprises

will become much more numerous and diversified: the inter-relationship among industries much more complex. The manpower problems will also become numerous and complex. Industrialization will not, for a long time, provide employment opportunities for new additions to the labour force or for the unemployed or underemployed.

In other words, a shortage of managers, scientists, engineers, technicians and skilled craftsmen exist now and will continue to exist. At the same time, large numbers of unskilled workers are and will be underemployed or unemployed. The key problems are those of multiplying many times over, in a relatively short period of time, India's very small experienced industrial labour force and transforming surplus manpower into national and community assets. These are the problems which a manpower programme should be designed to deal with.

Now, let me turn to a brief discussion of each of the major elements of the manpower programme.

First, is managing and developing employed manpower. The skilled craftsmen, the technicians, the engineers, the managers and others who will operate India's new enterprises and institutions will come from among those who are employed. These enterprises will be manned by those who have become experienced through employment, those who are capable of, and are prepared to take on larger responsibilities. Many skills can be learned or developed only on the job. New enterprises must start with a work-force made up of a nucleus of experienced workers, workers who have had related industrial experience, and some workers with little or no experience. If a country does not have a work-force experience in a given industry, it is necessary to employ a nucleus of experienced workers from abroad, or its nationals must gain the necessary experience in the industry abroad.

A highly trained and experienced work-force, employed in a well-organised and operated enterprise can be assured to provide the important nucleus of experienced workers for a new enterprise. Even though this work-force is small and is employed in only one or two establishments, it provides the necessary manpower resources for rapid industrial and economic development.

My proposition then is that existing enterprises must contribute to the building of a larger experienced work-force in order to supply expanding and new enterprises. The responsibility of an enterprise for generating and accumulating skilled manpower must be considered as important as efficient production and the generation and the accumulation of capital.

What are some of the programme activities that will help to develop this experienced manpower?

First, there must be good organization in the employing establishment. Therefore, we must develop good organization structure and management practices to get sufficient production and also to provide environment for skilled development.

Secondly, there must be planned and organised inter-service and the job training.

Thirdly, personnel policies and practices must be developed to motivate individuals to develop and improve skills.

And, fourthly, there must be good utilization of manpower skills in short supply for these employing establishments.

I am now going to comment. I have given here just a brief statement of what a programme might consist of. I now want to comment as I go along on each of these programme elements about what I think is happening in India. So, these are the comments with respect to these problems.

There are a variety of opinions whether existing establish-



ments should accept responsibility for training and developing managers, engineers and so forth, particularly to train them to make them available to new industries, such as steel, heavy manufacturing, heavy electrics and others that are to be expanded in India.

Some express the opinion that new establishments should not look to the existing establishments for manpower, but should either develop their own or should secure experienced manpower from abroad. The opinion is expressed that establishments should expand only as rapidly as they can develop their additional manpower requirements. The enterprises in some expanding industries have worked out an agreement not to hire each other's personnel. This agreement covers new as well as existing establishments. The same employers are of the opinion that in a democratic society, workers are, and should be, free to take employment where they wish. Under these circumstances, new establishments and new industries would secure some of their personnel from among those employed in existing establishments, if they could offer wages and conditions that were attractive. Other employers look with favour on the voluntary arrangements worked out by Tata Iron & Steel and Indian Iron & Steel to make some of their experienced personnel available to Hindustan Steel Limited.

Some employers think it is reasonable and desirable that existing establishments develop and train their personnel to the full strength required for efficient operation and in this manner they will be prepared to give up by voluntary arrangements, a portion of their experienced personnel to new industries that are rated as important in achieving economic goals.

Every person I have consulted on this question, who expressed a view, was of the opinion that any responsibility which an employer might assume to train and develop manpower for his own,

or the requirements of others, should be done on an entirely voluntary basis. A great deal of work needs to be done to secure the appropriate participation of existing establishments in the development of manpower.

Now, we turn to the second of the major elements of a manpower programme: developing managerial manpower resources in India.

A nation's progress depends upon its capability to organise human activity. Progress in economic development will require effective organization in many activities. Effective managers are the key to building economic enterprises and other organizations required in economic development. Material, equipment, power, money and manpower resources can be effectively used only if there is managerial manpower to build an autonomous organization to put them to work. A low level of managerial skills may cause one of the chief obstacles to economic development.

These are some of the activities which will contribute to the development of managerial manpower:

1. There must be support of top management for the use and development of professional managers.
2. Developing organization structure and management practice that will provide an environment for developing managers.
3. Encouraging planned and organised in-service training.
4. Training employed managers in educational institutions.
5. Stimulating the development of management associations that will assist in the development of managers.
6. Disseminating authoritative material on management.
7. Transferring managerial skills from more advanced countries.
8. Preparing potential managers in educational institutions.

Now my comments with respect to this aspect of the programme.

It seems to me that there is a rapidly growing recognition of the need for developing managerial manpower. Considerable work is being done to develop managers in India.

An Institute like this one in which we are is a good example of the action that is being taken.

Courses in business management in Departments of Economics at seven schools have been established. Most of these are post-graduate management training programmes covering three years of part-time work.

The All-India Management Association has been established. The Association is establishing regional associations that will have seminars, residential courses that will contribute to management development.

The I.L.O. has assisted in the development of T.W.I. courses to improve supervisors.

Many individual enterprises are conducting intra-organizational training programmes for their supervisors and executives.

I would say that good progress is being made. But in view of the problem of expansion that is to take place in India, still more is needed.

Now the third major element of the manpower programme has to do with preparing new generations of manpower. Competence in occupations and professions is achieved through formal and informal preparation and through practice and experience on the job. Although educational institutions must prepare individuals for all aspects of living, they must prepare individuals also for occupations and professions. This will particularly apply to the secondary and higher level institutions.

Some of the activities which seem to me to be necessary to achieve this programme are:

1. Schools and Educators should be provided occupational



requirement information which can assist them in developing educational plans: that is, the numbers needed in each occupation and profession that they will need to plan for the training of a given number.

2. The second point is developing and providing information on the kinds of preparation needed for occupations in current and future demand. That is: What are the skills, knowledge and abilities that potential workers must learn?
3. The third point is determining priorities of the types and quality of education to be offered: that is: Do we give priority to engineering sciences, management, technology, or to law, the liberal arts and other courses?

Now my comments on these are as follows:-

It appears to me that many educators and schools are operating in isolation or without full appreciation of the requirements of developing India. Of course, some may not agree that they need to orient their education to the requirements of a modern industrial society. Fortunately, these are in a minority.

Employers often complain about the inadequacy of the preparation new workers have received in schools. However, they have not done their part for making known their problems to educators.

It would appear to me, therefore, necessary and desirable to develop new devices such as local committees of employers and educators so that they can keep each other informed of requirements and the problems that each other are facing.

Turning to the 4th element of manpower programmes as I see it - that of distributing manpower. As the country becomes more highly industrialised, as urban centres increase in size and numbers, and as industrialization speeds up the labour market becomes large and complex. Under these conditions, the country requires a service organization capable of locating qualified workers for important production and locating employment opportunities for workers. Such a service can make an important contribution to



reducing the economic loss which occurs when a worker takes a job for which he has no aptitude, or when the employer appoints workers who lack abilities to carry out his work satisfactorily, or where a job goes vacant for the lack of a qualified worker.

As pointed out earlier, new enterprises require a nucleus of manpower experience in the industries around which they can build a new work-force. In order to accomplish an ordinary movement of employed workers needed in new and expanding industries, and these are the inexperienced workers, special procedures need to be developed and followed.

Where qualified personnel among the unemployed are exhausted and an important enterprise such as steel or heavy electrics, or heavy machine manufacturing, is unable to develop and train additional people rapidly enough to meet urgent requirements, the employment service should identify those industries and establishments that are presently employing individuals in the urgently needed occupations. One of several approaches might then be used to secure the experienced workers from those who are employed.

First, the hiring enterprise can notify the lack of workers in the needed occupations, and the hiring enterprise can approach the enterprises having the workers for the purpose of negotiating for the release of workers interested in changing jobs.

Or, the employment service can encourage appropriate employer associations to bring the hiring enterprises and those having personnel together for the purpose of encouraging an arrangement to make personnel available to those urgently needing such personnel.

Or, the employment service can call together the hiring enterprises and the enterprise with personnel for the purpose of encouraging the enterprises to work out an arrangement for transferring the needed personnel.

I referred earlier to an arrangement which I am sure is voluntary, although some people questioned it, that was made between Indian Iron & Steel Co. and Tata's Iron & Steel for transfer of some of its experienced manpower to Hindustan. I am sure this is happening in other places.

Now my comments on this question of distribution of manpower. India has a good system of employment exchanges. The staff is well-trained and dedicated to achieving the objectives for which the service was established.

The geographical coverage needs to be extended, and this, I understand, is in prospect.

More importantly, however, the new type of programmes or activities just referred to above needs to be developed and applied. So far rather little thought has been given to this aspect of the manpower programme.

Now, I would like to comment on another aspect of the distribution of manpower: and that is the placement of highly trained manpower - managers, scientists, engineers and technicians.

A country's most important asset is its highly trained manpower. In an age that is daily becoming more complex, the knowledge and ability of the highly trained (professional) workers becomes an increasingly valuable and important asset. The wise use of professional skill is the key to continued advancement. The college graduate just entering the labour force must find employment that will use his full capacities and promote his greatest development. The experienced worker must locate employment in which his training and experience can be used to greatest advantage: and the employer engaged in essential activities, must be able to find the worker who has specialised skills and knowledge needed for the job to be done.

There is a growing recognition of the need for

organized methods for matching professionally trained personnel with job demands to achieve the best use of the individual qualifications and abilities and to meet the requirements for economic expansion.

In most countries, in which the predominant employment has been in agriculture, extra active industries, commerce and related activities, in these countries, and enterprises, have not followed the more modern patterns of organization, nor have they used a high percentage of specially trained people for their conventional services. Managerial personnel at all levels for these establishments are not likely to have had specialised training, and in many cases, relatively little general education. As new industrial enterprises are established, they may adopt a similar pattern of organization and employment. Modernising organization and personnel policies should provide expanded employment opportunities for trained manpower.

A placement service, which will actively work with employers to develop and expand jobs in existing enterprises for trained new entrants into the labour market, can make an important contribution towards the conservation or utilization of these important national resources.

To be effective, such a placement service must be located in the major centres of employment. If the problem of finding employment for highly trained new entrants into the labour market and the trained experienced workers is to be dealt with effectively, the employers, that is the employers in the private and public sectors in each major industrial and urban centre, must assume responsibility for providing the jobs. Properly informed leaders of the community can be motivated to deal with the problem.

Marshalling the interest and resources of employers is essential. The interest and resources of the employers of the area



can be marshalled usually through the establishment of committees of representatives of top leaders. Such a committee would have the responsibility for studying and becoming informed concerning the size and nature of the problem in the community.

They would develop programmes for dealing with the problem.

They would invite and persuade employers to create productive jobs for such manpower. Some establishments could profitably absorb a number of such individuals, if modern organization and personnel policies were followed.

The Committee could keep the general public informed about the problem and create a climate which would encourage all employers to participate in the programme.

This to me is one way of carrying out some of the broad principles of organization which India is attempting, that is, to decentralise authority and responsibility and to marshall the interests of the public.

Now comment on this point: A number of activities have been initiated today over the problem of placing highly trained manpower. So far as I see it, none has been very effective. The fact is that no country developed or developing, has found an entirely satisfactory or effective method for organizing the placement of highly trained personnel. It was suggested, therefore, that a pilot project be initiated to develop a programme and to apply the procedure outlined. This should, at this stage, be in addition to present activities and those that are being planned. The pilot project could be initiated in one or two major industrial centres. The experience gained through such a project would not only serve India but other countries which are or will be facing this problem.

Now let us turn to the fifth item in this manpower



programme, that of finding constructive ways of utilising in developmental activities, manpower which would otherwise be unemployed or underemployed. Economies in transition from one predominantly agricultural and rural to one predominantly industrial and urban may have long periods during which it may be difficult to provide employment for all those seeking work.

The problem requires attention both because it is important to improve the conditions of human beings and because employment is an essential element in maintaining economic and political stability which are necessary to rapid economic development. I am not going to say much about this point because I think India is dealing with this problem, and I am sure that its experience will contribute a great deal to many other developing countries.

I only note this problem to indicate that this is a part of a broad and comprehensive concept of a manpower programme. I would just refer you to the material in the draft outline of the Third Five Year Plan for the programmes which are under consideration, some of which are being executed by India.

Let us turn then quickly to two other points in this manpower programme.

No. 6 then is developing manpower statistics required for manpower planning and administration. Manpower statistics and information are necessary for sound manpower planning and operating decisions, just as facts and information are essential in making decisions for other aspects of economic planning, that is the material, equipment, money and other resources. The statistics and information need to be designed to assist in dealing with particular and general manpower problems. The nature of the manpower problems being dealt with and those anticipated, determine the kinds of statistics and information to be developed. There

are four broad types of information needed:

1. Information about the supply and demand for manpower and information about the manpower problems and the programmes: information about supply and demand for manpower and the programmes initiated to deal with them.
2. Information about industry manpower problems and the programmes needed to deal with them.
3. Information about the requirements for, and the supply of manpower by occupations on an All-India basis.
4. And then general information about occupations.

I will discuss only one of these, namely, that of developing industry manpower information. The managements of establishments and enterprises must take many actions to develop and utilise manpower to achieve production goals. As I said earlier, existing enterprises must build experienced work-forces in order to be in a position to supply expanding and new enterprises with experienced manpower. Reports on the industry's manpower problems and the efforts to deal with these problems can stimulate and increase sound actions by managements. Several of the government agencies have responsibilities for dealing with certain aspects of industry manpower problems. These reports will assist them in carrying out their responsibilities in a co-ordinated manner. It is particularly important that those responsible for economic planning have an analysis of the manpower situation in the basic and heavy industries on a regular and continuing basis.

The purpose of industry manpower surveys is as follows:

1. To determine the manpower requirements of industry to occupation.
2. To determine what is being done to meet the manpower requirements, and to determine what additional actions are needed.
3. To provide the managements of the industry, the government agencies concerned, and others with information concerning -
  - (a) the number of experienced workers in each occupation which the industries must develop,

to meet the requirements of new and expanding enterprises in the industry or related industries;

(b) to provide information concerning programme actions being taken to meet the requirements; and

(c) additional programme actions needed.

My comment on this is that although this is in my judgement a very highly needed bit of information and analysis, industry manpower surveys are not now being made although the employment market information programme of the Director-General of Employment and Training is capable of making these surveys, if personnel resources could be made available, and in my judgement this needs to be done.

My final point in the manpower problem has to do with the organisation of manpower planning and administration. I will touch very briefly only on one aspect of this. Developing managerial, professional, technical and skilled manpower to staff the economic activity of India will require the positive efforts of all who can contribute. Individuals and groups who have an opportunity to participate in making the policy decisions, and to participate in administering the programmes which affect them will be inclined to contribute to the achievements of programme objectives and to support such programmes.

Individuals and groups provided with full information about what is needed, how it can be achieved and what is expected of them, will join the efforts to achieve common objectives. Manpower administrative arrangements, therefore, should provide information concerning what is needed, the methods to be followed and the participation and behaviour expected of individuals, groups and organisations. Opportunities should be provided for people to contribute to a national economic development in terms of their best attitudes and interests.

My comment on this: I would say that although there are



national committees made up of representatives of all important economic and political groups, there is little collaboration at the local levels among these groups.

Manpower programmes must be executed from the local community and in the enterprises the school and the employers service and other agencies. Local collaboration then is essential if programme goals are to be achieved.

Let me, in concluding, suggest five items, which, in my judgement, might well have priority of attention and emphasis in a manpower programme in developing India.

The first is: Efforts should be made to convince

employers to develop experienced manpower as a part of their normal employment and training processes, and making a small portion available on a regular basis to new and expanding enterprises which are essential to economic development.

The second would be developing managerial manpower.

The third would be developing ways and means of transforming surplus manpower resources into national assets.

Fourthly, marshalling the interest and resources of employers (public and private) in providing suitable jobs for trained new entrants into the labour market, and

Lastly, the owners should be made to initiate industry manpower surveys of basic and heavy industries, so that those who are responsible for economic planning will be informed of the problems that are being faced by these features and to make sure that appropriate action is being taken to develop these industries because these enterprises



as you know as well as I, are the key to the further economic development of India.

Thank you, sir.

Chairman (Shri V.T. Krishnamachari) - Mr. Werts will answer questions.

**Question 1:** Does not manpower planning involve certain negative measures as well as positive ones? For example, not only setting up of institutions for training people that you expect you will need, but perhaps discouraging institutions for the sort of training that you are almost sure you will not need in such large numbers: for example, cutting down the number of arts colleges in this country. Would you say that is also involved? Otherwise, you train people who are not useful from the point of view of the training that they have received.

**Answer:** I would agree thoroughly. That is a good point. However, it seems to me that it is sometimes very difficult to be negative. It is difficult to say to an institution that you must go out of business. Therefore, as I have indicated, I put the emphasis on trying to inform people, so that they voluntarily can move to doing the things which will be needed. I have this feeling, that if people are properly informed, whether students, families or employers, or even politicians, they will want to do the right thing, and this will force the people who are offering the wrong process to lose business, so to speak, and force them to move over into the areas where people want service. So I agree with your point. I just put it positively rather than negatively.

**Question 2:** What studies have been made in the United States in regard to the assessment of requirements of administrative and executive personnel for different levels of administration?

On what criteria are such assessments made or are possible - people's work, size of the clientele, the population, the area, income, national output, extent of assistance and so forth?

**Answer:** I suspect that on the administrative personnel, that is public servants, that except during serious times, like

mobilization, for it may be that since the United States has been challenged in the scientific area, it is only in such situation, like that, that the United States has given careful attention to estimating future requirements. So, I would say that during the mobilization period of world war two, the requirements for administrative personnel were made along with the requirements for industrial type of personnel. The civil service commission, which in the United States is responsible for this kind of operations, I am sure is making some studies although I think not too extensive. I would say that the studies that are made are best made by the agency, the department, the ministries that have programmes. Usually the ministry will be visualizing its programmes two, three, four or five years ahead, and they will match their programme requirements with personnel requirements, and very often they will work out arrangements with universities and other institutions to develop the personnel they will need, three or four or five and a lot more years ahead. So I think the criteria which are used to make such assessments, would include all of the points listed here, because in one way or another, one agency or another, would have responsibility for increasing paper work, size of the clientele: for instance, if the social security system is expanded or has to be expanded, you will have to have more people. As population grows, certainly these become guides, and as national income, and as national output increase, it is quite understandable that the services required of Government are increased. All these factors are then taken into account.

That is not a very satisfactory answer because I do not know too much about the details.

Question 3: What are your comments on the effectiveness of present arrangements, under which the I.C.S. and the I.A.S. officers hold top positions in State enterprises and also on the industrial management, and its control by the Ministry of Home Affairs rather than

by an independent agency ?

Answer: I see someone wants me to get thrown out by the Home Ministry ! Well, I have some views on these points.

First, I would say that you can find some excellent I.C.S. and I.A.S. officers in-charge of industrial enterprises. I think the problem is not whether they are I.C.S. or I.A.S. I suppose, the real problem is their approach to problems and tradition, and may be their feeling, as some people express it, "know it all", and therefore they do not learn.

It seems to me that really high class I.C.S. officers, and I know a number of them, approach a new situation with the appreciation that he may not know all the answers and that he must learn. I think if an I.C.S. officer recognises that the normal, regular, governmental procedure is not applicable in all details, probably in some general detail, to an industrial type of situation, then he will learn, and I think he can learn. But I think it will be a mistake if I.C.S. or I.A.S. officers are sent to manage a steel plant and stay there for two years or three years and then move on to something else. The experience in highly industrialised countries is that people take a life-time to advance to that position and the life time is spent in going up the ladder in a steel plant or steel industry. And, therefore, it is the judgement of people who have run steel industries and other industries, and ministries of labour and ministries of commerce, that you cannot learn this business in 2, 3 or 5 years. It takes almost a life-time to reach the top and to be effective at the top. So, at this point, I would say that it is a question that if the I.C.S. officer goes and stays, I think he can learn. And when you are short of resources of this calibre, it is quite in order, it seems to me, to use this resource. But so long as the people recognize that they must be trained and they must learn and they go through the



processes of learning.

Second part of the Question: "Industrial management pools controlled by the Ministry of Home Affairs rather than by an independent agency."

Answer: Again, I do not think who controls it is nearly as important as what the plan is for its development and use. I suppose, people who follow normally the personnel procedures of the Government may move a little too slowly. Their ideas of levels of salary and other emoluments may be such as to discourage people to go into the management pool and become managers under those conditions. If an independent agency could have freedom and independence to set new standards and new salaries and new conditions, then I would say they would be better in an independent agency. But I am not sure that that necessarily follows. Therefore, what is important is to recognize what is needed, what kinds of people are needed and not to have the people transferring and dealing with I.C.S. and I.A.S. officers always select that kind of person. But if people understand what is needed in an industrial enterprise and select people who have that skill and ability, or who can learn, this is what is important, and not which of the agencies control.

Question 4: Will you please let me know what recommendations you have made for these people who are already educated in some subjects or some professions ?

Answer: I am not sure if I get the point of your question. Are you referring to people who are trained and cannot find employment? (Reply - Yes, sir). Well, I think it has to be analysed and in my comment with respect to a placement service for professional or highly trained people, the details of my analysis would indicate this, that there are many reasons why people, highly trained are unemployed. One, of course, is that there are no jobs available. The other is that the individuals will not accept the conditions of employment that is available. He may not be

willing to work in the areas where jobs are. Employers may have strange notions of what is required for the job. So there is a whole host of kinds of things like this. Therefore, it seems to me that you need an expert in the placement business who can take a look at the qualifications of the individual and the requirements of the job, and then try to match those, and when you run into one of these obstacles you attempt to resolve. For instance, if an employer has unreasonable demands in terms of skill, and I have heard, as I visited round India that many employers want an all-purpose man, who can be an engineer as well as a truck driver and this, that and the other thing. It seems to me that you have to be capable of re-orienting the employer as to his requirement so that he is realistic. Likewise, I have heard of individuals who expect much more than what they should expect to get in terms of their training and background, and therefore you need an experienced person to see life as it is really and to adjust his sights to reality. Those are the kinds of things that I would suggest should be done for those already trained and who may not be employed. I would include in this re-training. If, for instance, you are trained in an obsolete occupation, the natural answer seems to me is to take more training to become experienced or get skilled in another occupation where there may be a demand.

Question 5: We have one special problem - the graduates in Arts. For them, what are we able to do?

Answer: I will just repeat myself a bit here. It seems to me that those who are trained in Arts and the jobs are not available that they can do, or the jobs they will take - then in this process of adjustment - either suggesting that you learn a technical subject or take up manual skill.

Because, as I see it, there is a demand for technical people and people with manual skill. I think, **Shri** Sri Ram has an idea which he presented to the National Committee on Employment, which, I think, makes very good sense and that is that he would encourage employers to take people who are highly educated and more highly trained and put them in among the jobs and lower supervisory jobs because, as he pointed out, these people would have a larger potential for growth. So that these are the kinds of things one might have to deal with this problem of the unemployed little arts graduate.

I do not think anyone can sit and draw answers out of the hat. It seems to me that there is to be an institution or organization that can work at this because it is a very highly complex process of justifying people to the work of the world.

Question 6: Your framework and comments appear to be a counsel of perfection. What is in your opinion the key-aspect of man-power? Is the problem only of numbers with certain minimum standards of training as you have outlined? Or about higher qualitative standards of skill and talent?

Answer: On the first part of the question about perfectionists: I suspect after a fashion one does shoot for high goals. My experience with Indian officials and Indian citizens is that they, too, want to shoot for high goals and would not be satisfied with anything less than what might produce the best. So that living in this kind of environment, I have to meet that kind of standard. However, in my thinking, I would say that I am not a perfectionist in the sense that things have to be done so precisely and so perfectly. My approach largely is here one of being willing to look at situations, to study situations and find the best way and move ahead, and as you move ahead, you gain experience and you improve. Obviously, I did not make that point, but, I think it is a good point to make.



**Question 7:** What is in your opinion the key-aspect of manpower ?

Answer: Well, looking at it from a situation in which India is in now and the plans for making development, it seems to me that the key to a manpower programme is a proper leadership at all levels in the nation. At the centre, you must have, it seems to me, very good leadership, who may conceive the problems, understand the processes and go to the nation, communicate with the nation, because manpower involves everybody. Every person in this room makes manpower decisions or has made manpower decisions. He has made a decision as to what vocation he would follow. He makes decisions as to whom he will employ and many other decisions like this, so that it seems to me that the key here is to have everybody understand the process and how they can deal with the process. And as I said, in my discussion, it seems to me that what is most important is that arrangements be made at the local level for people to get together and collaborate and develop our programme. I wanted to take a number of other key points, but that is a very important one.

Chairman - Ladies & Gentlemen: I am sure, all of you would like me to thank Mr. Werts for his most interesting lecture. He has dealt with all the issues in a very practical way and made very valuable suggestions.

The Planning Commission have been organizing a study of manpower requirements in different sectors of the economy for the next 15 or 20 years: agricultural officers, animal husbandry, engineers, doctors, and so on. This is the most important thing in planning and in all the work that we have conducted in this field, we have derived very great assistance, very valuable assistance, from Mr. Werts. He has been with us for the last 18 months, assisting us in the conduct of all these studies.

In the Third Five Year Plan, the draft of which has been published recently, I am sure you will have noticed the enormous numbers of training institutions that appear in the programme. These institutions, like agricultural, engineering and other colleges, are going to turn out the trained personnel we require for our future plans in this field. Mr. Werts has given us very valuable assistance and I am glad to have this opportunity of publicly acknowledging the very useful assistance he has given to us in conducting these studies.

I am all the more pleased to have this opportunity, because he is due to leave us shortly.

One of the questions asked related to the recruitment of I.C.S. and I.A.S. men to be managing directors in these industrial undertakings. Well, we draw our managing directors from a very wide circle. Some are ICS men, some have been railway engineers, some have been electrical engineers. We have drawn one or two from the previously existing private industries. We have to do this until such time as the new men who come into these industries qualify by longer service for the higher positions. This is only a temporary phase. In the same way in planning. We have a large number of officers drawn from the existing services in the higher positions. At the same time, we are training young men and recruiting them and training them in the technical operations of planning. We have already got numbers of young men who have acquired very valuable experience. As time goes on, I have no doubt whatever that they will fill the higher positions in these technical fields.

Once again, let me say, what a great pleasure it has been to me to preside this evening. Mr. Menon thanked me for coming to preside. It is my duty as Chairman of the Institute to come

and preside over these meetings. Today, it is also a great pleasure because, as I said, I had this opportunity of thanking Mr. Werts for all that he has done to assist us in the last 18 months.

'Ven'





